forth below, Applicant asserts that the use of pre-verification criteria is not disclosed in the prior art and is not an obvious modification to the claims of copending Application 09/617,361. Reconsideration and withdrawal of the double patenting rejection is respectfully requested.

Regarding the Examiner's taking of official notice that it is old and well known for companies to delegate third parties to perform certain functions for the companies, Applicant asserts that it is not well known for companies to delegate a portion of the process for approving particular credit card transactions. In any case, this issue is moot in view of the distinction based on the use of pre-verification criteria.

Rejections Under 35 U.S.C. § 102

Claims 1-36 are rejected under 35 U.S.C. § 102 (b) as being anticipated by U.S. Patent No. 5,708,422 (Blonder et al.).

Applicant respectfully traverses.

The standard for anticipation is set forth in M.P.E.P. § 2131 as follows:

> "A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." Verdegaal Bros. v. Union Oil Co. of California, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987). "The identical invention must be shown in as complete detail as is contained in the ... claim." Richardson v. Suzuki Motor Co., 9 USPQ2d 1913, 1920 (Fed. Cir. 1989).

Claims 1-12:

Claim 1 recites (in part):

> to compare said transaction approval request with said pre
>   verification criteria;
> to verify said transaction approval request if at least one pre
>   verification criteria is satisfied; and
> to verify said transaction approval request with said account-holder
>   if said at least one pre verification criteria is not satisfied.

Thus, according to the claimed invention, the system verifies the transaction approval request if the pre verification criteria is satisfied. If, however, the pre verification criteria is not satisfied, then the transaction approval request must be verified with the account-holder.

Blonder et al. does not disclose this aspect of the claimed invention. Applicant acknowledges that Blonder et al. discloses card-holder verification (referred to as approval in Blonder et al.) of a transaction approval request as part of the overall credit approval process. However, Blonder et al. does not disclose the use of pre-verification criteria as claimed by Applicant in the present application. Indeed, Blonder et al. selectively implements verification in a manner that is exactly opposite to that of the claimed invention.

According to Blonder et al., card owner authorization (verification) is required **only for transactions that meet certain trigger conditions**. See, for example, Fig. 3 of Blonder at al. and the description at Col. 6, Lines 5-24. According to the claimed invention, verification with the card-holder is **not required** for transactions that satisfy the pre verification criteria.

This distinction provides several advantages over the system of Blonder et al. One advantage is that the present invention requires less data storage, because effective pre verification can be accomplished using fewer pre verification criteria. For example, according to the present invention, transactions at a single merchant can be pre-verified by storing a single merchant code corresponding to that merchant. With the system of Blonder et al, you would need to store merchant codes for every existing merchant except the particular merchant whose transactions were not to require verification with the card-holder.

Another advantage of the claimed invention is that pre verification is more effective than in the system of Blonder et al. For example, according to the claimed invention if the pre verification criteria is satisfied, the transaction need not be verified with the card-holder. Thus, if a particular merchant code is used as a pre verification criteria, all transactions from that merchant will be verified by the system without needing to contact the card-holder. In contrast, according to Blonder et al., transactions will require verification with the card owner if any one of the several trigger conditions are met. Therefore, a user of the Blonder et al. system could not effectively pre-verify all transactions for a particular merchant, because if any of the other criteria are met (e.g., trigger amount exceeded) approval from the card owner would be required.

The advantages described above illustrate substantive differences between the claimed invention and the cited prior art. The cited reference simply does not disclose every element of the claimed invention and cannot, therefore, anticipate the claimed invention.

For at least the reasons provided above, Applicant respectfully requests reconsideration and withdrawal of the rejection of Claim 1. Claims 2-12 depend, either directly or indirectly,

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from Claim 1 and are, therefore, distinguished from the cited prior art for at least the reasons provided above with respect to Claim 1.

Claims 13-36:

Claim 13 recites (in part):

comparing said transaction approval request to said pre-verification criteria;
verifying said transaction approval request if said pre-verification criteria are met; and
verifying said transaction approval request with said account-holder if said pre verification criteria are not met.

Due to the similarity between these elements of Claim 13 and corresponding elements of Claim 1, Claim 13 is allowable over the cited reference for at least the same reasons as Claim 1 set forth above. Claims 14-36 depend, either directly or indirectly, from Claim 13 and are, therefore, distinguished over Blonder et al. for at least the same reasons as Claim 13.

Patentable Subject Matter of Dependent Claims:

In addition to the distinctions of the independent claims set forth above, Applicant notes that the dependent claims set forth additional patentable subject matter. The following are examples of clear distinctions of the dependent claims over the cited reference.

Claims 5, 17, and 29:

The cited reference does not disclose a module to "receive modification instructions from said account holder," as recited in Claim 5, or "allowing said account-holder to modify said pre-verification criteria associated with said account-holder," as recited in Claim 17. Although Blonder et al. indicates that some of the triggers may be "pre-selected" by the card owner, it does not disclose that the criteria once set may be modified by the card owner via a communications module.

Claims 6, 18, and 30:

The cited reference does not disclose that "prior to receiving said modification instructions from said account-holder, none of said pre-verification criteria can be satisfied," as

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recited in Claim 6, or "none of said pre-verification criteria can be satisfied prior to modification by said account-holder," as recited in Claim 18.

<u>Claims 7,8, 19, 20, 31, and 32</u>:

Blonder et al does not disclose the use of a "merchant identifier" as recited in Claims 7 and 19. Instead, the merchant codes of the cited references define types of commercial establishments (bars, hotels, liquor stores, etc.). See, e.g., Col.6, Lines 24-28.

<u>Claims 11, 12, 23, 24, 35, and 36</u>:

Blonder et al. does not disclose the use pre-verification criteria including a begin date and an end date.

For the above reasons Applicants request reconsideration and withdrawal of the rejections under 35 U.S.C. § 102.

For the foregoing reasons, Applicants believe Claims 1-36 are in condition for allowance. Should the Examiner undertake any action other than allowance of Claims 1-36, or if the Examiner has any questions or suggestions for expediting the prosecution of this application, the Examiner is requested to contact Applicants' attorney at (269) 279-8820.

Respectfully submitted,

Date: 6/9/06

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CERTIFICATE OF FACSIMILE TRANSMISSION (37 CFR 1.8(a))

I hereby certify that this paper (along with any referred to as being attached or enclosed) is being transmitted via facsimile, on the date shown below, to: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450, at (571) 273-8300.

Date: 6/9/06

Larry E. Henneman, Jr.

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